



Identifying Private Foundation Funding Sources

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It's the end of the day....



...Or would you rather sit here
learning about the exciting world of
private foundation funding?????



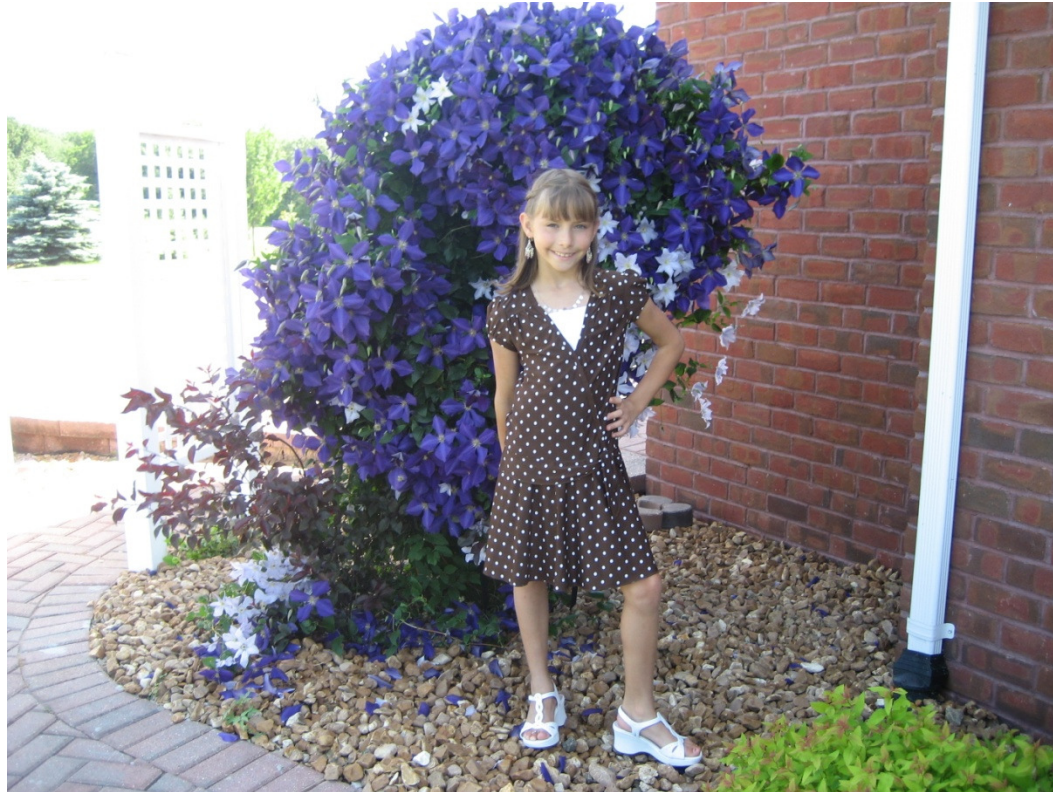


Awesome! ! !



- Let's start with some really exciting information about private foundation funding . . .

Presentation is like a skirt . . .



Long enough to cover the important points . . .

Yet short enough to still be interesting!

Today's Agenda



- Private foundation basic facts
- Various types of private foundations
- Statistics regarding WI private foundations
- Steps to successful funding
- Tips: Do's and Don't's
- Private foundation funding trends
- Additional resources



Private Foundations

- Private foundations are nongovernmental, nonprofit organizations that meets the 501(c)(3) definition
- Operate from a principle fund or endowment
- Governed by its own trustees and/or board of directors
- Often funded by a single family or business



Private Foundation Fast Facts

- Over 300,000 private foundations operating in the United States
- Less than 10% of all foundations give more than 50% of all grants
- Foundation assets now exceed \$200 billion, half of it controlled by fewer than 200 foundations
- **Private foundations are required by law to distribute 5% of the market value of their assets each year**

Private Foundation Funders

- **National Foundation- General Purpose**
- **Special-Purpose Foundations**
- **Family Foundations**
- **Corporate Foundations**



National Foundation General Purpose

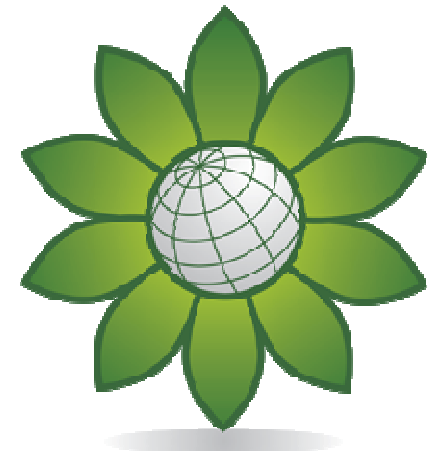


- Only 200 to 300 foundations
- Accounts for about 60% of all foundation assets
- Support one or more general subject areas such as health, education, environment, etc.
- Tend to prefer proposals national in scope that solve universal problems in an innovative manner

Special-Purpose Foundations



- Support one specific subject area (cancer research, capital, etc.)
- Usually only fund projects that significantly impact their area of interest



Family Foundations



- Support programs valued by the family members of the person who established the foundation
- Most family foundations have geographic preferences and are operated by the family members

Corporate Foundations

- Administer the charitable contributions of the company they represent
- Most corporate foundations limit their support to the geographic regions where the corporation operates
- Generally not risk-takers; therefore they may not like to be the first to fund a new program



Corporate Foundations cont.

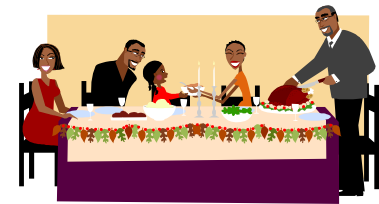
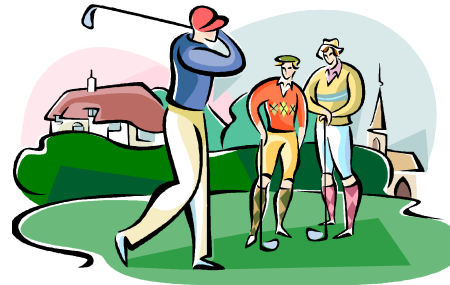
Grantseekers should remember that corporations, unlike foundations and other charitable agencies, do not exist to give money away. Their main focus is to their employees, customers, shareholders, and, most of all, to the bottom line.

Just because a corporation doesn't have a foundation doesn't mean they don't have a giving program. They will have different criteria for giving and different processes.

It should be assumed that companies that have a formal giving program are usually seeking some benefit from charitable activities. Therefore you should **determine what your group can do to meet the corporate foundation's self interest.**

Corporate Foundations cont.

- Some corporations award charitable grants
- Some corporations prefer to provide sponsorship to events
- Learn the difference, learn the corporations trends, determine where your needs align with corporations trends
- If sponsorship, determine and articulate what benefit you will bring to the corporation for sponsoring your event.



WI Foundation Stats

1,215 Registered Grantmaking Foundations

Top 5 Counties in WI with Foundations

- 353 in Milwaukee County
- 122 in Dane County
- 107 in Waukesha County
- 74 in Brown County
- 44 in Sheboygan County





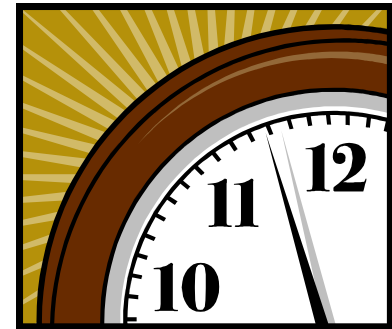
Types of Foundations in Wisconsin

- 67% are Family Foundations
- 19% are Independent Foundations
- 11% are Corporate Foundations
- 3% are Community Foundations
- 300 Corporations have Corporate Giving Programs

Foundation Facts Courtesy of DFW

- Average number of proposals a funder receives a week – 37.
- Over 40% of those proposals received do not meet the funder's guidelines.
- Less than 5% of all foundations have more than two paid staff.

Average time spent reviewing a proposal is 132 seconds.





WI Private Foundation Trends

- Only 5 private foundations have more than two staff people in the state. They are all located in Milwaukee
- Wisconsin has no statewide funders. Some foundations will fund an interest area statewide but will not accept applications.
- DFW has on its website the common grant application used by most private funders in the state.
- New trend is not to accept unsolicited applications. Nonprofits need to be invited to submit to most private foundations.

Foundation Dollars



- Wisconsin is home to over \$6.2 billion dollars in foundation assets.
- Over \$478 million dollars in grants were distributed this past year. Over \$214 million grant dollars in Milwaukee County.
- Nationally, Wisconsin ranks 11th in the number of foundations and 37th in asset size.

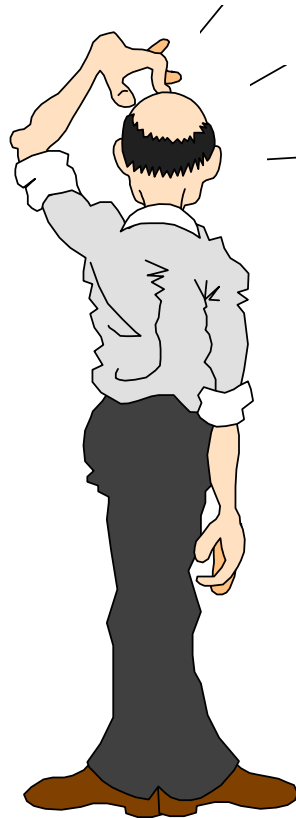
Whew....are you still sure you made the right decision?





STEPS TO SUCCESSFUL FOUNDATION FUNDRAISING

WHERE TO START ???





Plan Ahead!



*“If you need the money now,
you have started too late .”*



Important



Start with your own organization

Clarify Your Organization's/Program's Needs, Priorities and Goals

- Know your organization/program so well that you can be in a position to identify possible matches whenever they arise
- Be crystal clear about your organization's/program's top strategic priorities and fund-raising needs
- What exactly are you looking for...



Only When Your Organization's
Goals, Needs and Priorities are In
Order, Should Your Search Begin....



Identify the Most Promising Foundation Prospects



- Narrow the many prospects according to possible matches with your priority needs
- **Learn as much as you can about the funder**
 1. Subject areas of interest
 2. Geographic area they support
 3. Type of giving
 4. Dollar range of grants
 5. Preferred method of contact
 6. Relationship to your organization, if any

Research...continued

- Review Foundation guidelines and objectives to verify that your organization/program can apply and that the proposed project is compatible
- Review previously awarded grants to determine if your project seems compatible





- Research previously funded grants (Annual report, website, newsletter)
- What was funded?
- Who was funded?
- Is your organization and proposed project compatible with previously funded grants?

What Kind of Funding Is Needed?

- General Operating
- Program Support
- Capital Support
- “Seed” funding



Relationships



- Funders will fund projects that meet their guidelines.
- However, relationships are often the determining factor in whether or not a project gets funded.
- Do your homework. Learn as much as you can about a potential funder.
- Whenever possible, try to develop relationships with the key foundation representatives.
- Take time to nurture and develop those relationships.
- Be genuine and honest.

Relationships



Relationships

Local private foundations

- Research key people (director, program officer, board members)
- Identify where relationships may already exist
- Determine who might make introductions
- Develop a strategy for developing professional relationships with key people
- Again....be genuine and honest!





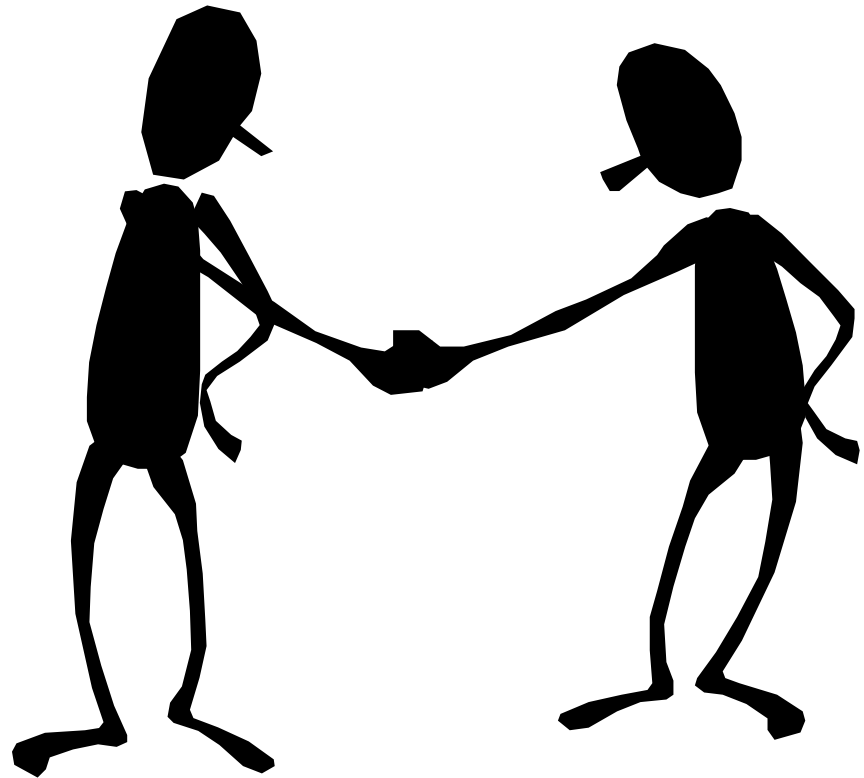
Relationship Tips

- Relationships are built on trust
- Your success in every area of life and business are based largely on the quality and quantity of relationships that you can initiate and develop over time.
- Be genuinely interested in people....not just in what they can give you
- Remember...relationships are built on giving and receiving

Relationships

Contact with the program officer is one of the most important elements. . .

85% of all successful grant seekers have had contact with the program officer.



Formulate and Implement a Plan for Initiating Contact with Top Foundation Prospects

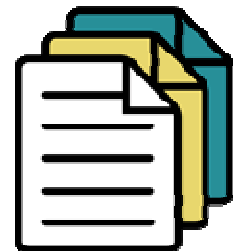


- Determine what is the best match between project and funding source and develop a reasonable strategy for making an initial contact
- Research best mode of contact for particular foundations
- Become familiar with important facts about the potential private foundation-do your homework
- "Letter of Inquiry" / Telephone Call

Application Process Proposal Preparation

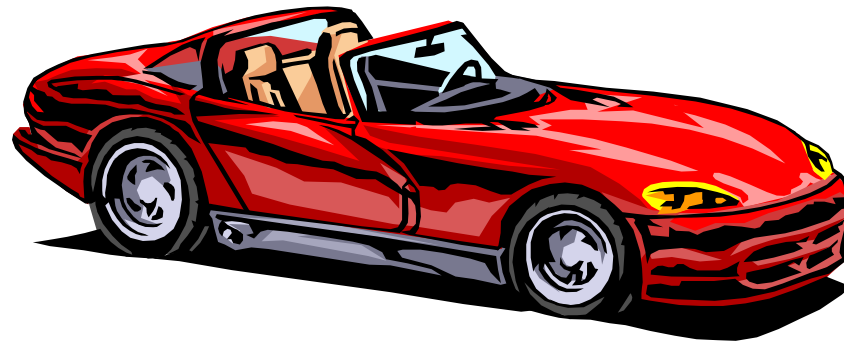


- Never send an uninvited proposal
- Compile all the information you will need to complete the grant proposal based upon the questions asked in the application
- Provide the Foundation with everything they want--don't give them anything they don't want. Keep your proposals succinct and to the point.
- If a Foundation asks for three pages, ensure your proposal is three pages.



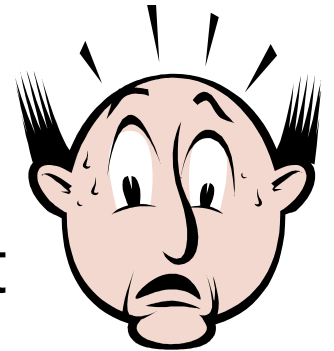


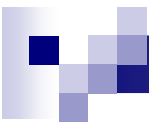
***Don't ask for a Mercedes . . .
when a Saturn will do."***



Follow-up After the Proposal Has Been Submitted

- Contact the funder to make sure all is in order
- Take the opportunity to get an immediate reaction to the request
- Offer an opportunity for more information





Congratulations!

Your proposal is being funded!

- Say thank-you: Seven times, seven different ways, seven different voices
- Letters, press releases, personal calls, personal contact, volunteer contact, recognition whenever you meet the funder, thank you long after the grant has been disbursed and spent.



What Happens If . . . "No"



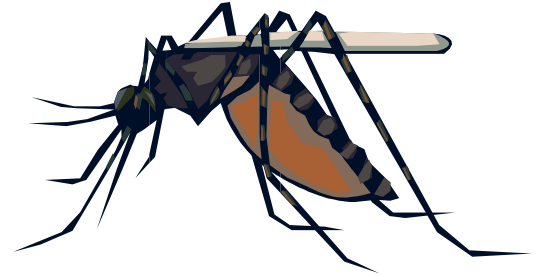
Follow up –

- Review the rejection letter for clues
- Either phone the foundation or check the website for a program officer's name.
- Call with these specific questions:
 1. Is there anything we could have done differently in our proposal?
 2. May we resubmit for your next funding cycle? (Note the date and REAPPLY)
 3. Are you aware of any other foundations that we might approach?

What Happens If . . . "No"



- Your final step should be a gracious letter to the foundation, thanking them for their time and their thorough review of your proposal.
- Remember to be organized, thorough & consistent, and ***always persistent!***



"If you think you're too small to have
an impact, try going to bed
with a mosquito."

— Anita Roddick

Rejection Letter - Good News?



What is Good About a Rejection Letter???

It is one of the best ways to



The relationship!!!



Other Benefits of Rejections

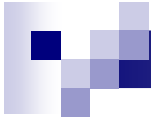
- Reality - only one proposal in 5 is turned down because the idea wasn't good enough
- Reality - A rejected proposal is worth about \$10,000 of free advice
- Reality - the success rate is higher for proposals turned in a second time
- Reality - the success rate on a third submission is almost 1:1





Remember
This is still
a people
business!





- Non-profits don't submit proposals to foundations;

PEOPLE SUBMIT PROPOSALS TO PEOPLE!

- Foundations don't give grants to Non-profits, their programs, or their facilities;

PEOPLE GIVE TO PEOPLE!

- Boards and committees never make decisions;

**PEOPLE WHO SERVE ON
COMMITTEES AND BOARDS MAKE
DECISIONS!**



Don't . . .



- **Don't** share too many of your organization's internal problems.
- **Don't** ask for too much, but don't ask for too little. Know the giving history of the foundation you are approaching.
- **Don't** give up. No doesn't necessarily mean no; it means not now. No is part of the process. Keep asking.

Private Foundation Funding Trend

- Past: Apply to private foundations to fund **your** project
- Present Trend: Many private foundations have **their own** mission and agenda
- Present Trend: Private foundations tend to fund projects that will promote their agendas rather than respond to requests to support your mission and agenda.
- More important than ever to find compatible matches and build RELATIONSHIPS!





Annie E. Casey Foundation

“Helping vulnerable kids and families succeed”

- We do not seek, or often fund, unsolicited grant applications.
- The Foundation’s approach to grant making focuses on making multi-year, multi-site commitments that enable us to invest in long-term strategies and partnerships that strengthen families and communities.
- However, we do not discourage you from sharing your ideas with us. Send us a brief description of the project and contact information where we can learn more.

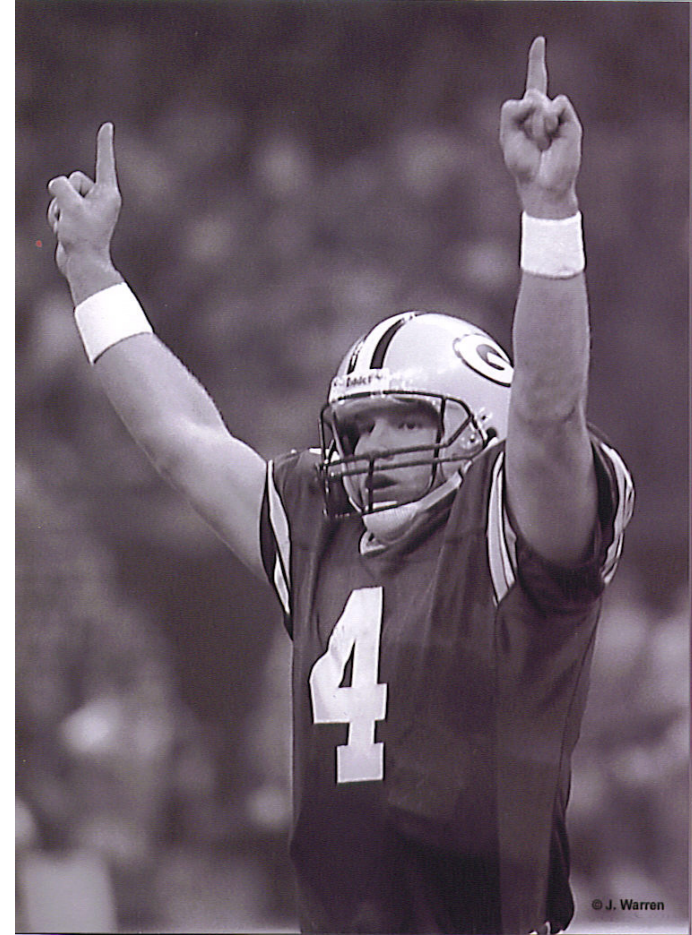


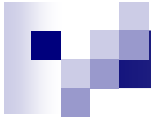
INFORMATION ON PRIVATE FUNDING SOURCES

- [Foundation Center](#) is an independent nonprofit information clearinghouse established in 1956. The Center's mission is to foster public understanding of the foundation field by collecting, organizing, analyzing, and disseminating information on foundations, corporate giving, and related subjects. The audiences that call on the Center's resources include grantseekers, grantmakers, researchers, policymakers, the media, and the general public.
- [Chronicle of Philanthropy](#) is considers "the newspaper of the non-profit world."
- [The Grantsmanship Center](#) is the world's leading source of fundraising training and information for the nonprofit sector. Since it was founded in 1972, TGCI has trained more than 65,000 agency staff in grantsmanship, program planning, and fundraising.
- The Donors Forum of Wisconsin www.dfwonline.org
- Foundations in Wisconsin: A Directory- a print and online resource tool for grantseekers.
- Marquette University Library Funding Information Center:
<http://www.marquette.edu/library/fic/religious.htm>
- Guidestar: www.guidestar.org
- Refer to printed hand-out of private foundation resources.

Writing a Grant is A Bit Like Playing A Game . . .

*“You can expect
much more
success if you
know the rules!”*





Questions?





Thank You!

*Good luck in obtaining private
foundation funding !*